

THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY AND EXHIBITS

OF

JACQUELINE R. CHERRY

MARCH 14, 2007



DOCKET NO. 2007-2-E

**South Carolina Electric and Gas Company
Annual Review of Base Rates for Fuel Costs**

TESTIMONY OF JACQUELINE R. CHERRY

ON BEHALF OF

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2007-2-E

Q. PLEASE STATE FOR THE RECORD YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Jacqueline R. Cherry. My business address is 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. I am employed by the Office of Regulatory Staff ("ORS") in the Audit Department, as an Audit Manager.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received a B.S. Degree in Business Administration, with a major in Accounting from Johnson C. Smith University in 1976. From February 1979 to October 2004, I was employed as an auditor with the Public Service Commission of South Carolina (the "Commission") and participated in cases involving the regulation of gas, electric, telephone, water and wastewater utilities. In October 2004, I began employment as an Audit Manager with the Office of Regulatory Staff.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

1 **A.** The purpose of my testimony is to present the results of ORS Audit
2 Staff's examination of South Carolina Electric & Gas Company's ("the
3 Company") books and records pertaining to the Fuel Adjustment Clause
4 operation for the current review period of February 2006 through April
5 2007. The findings of the examination are set forth below and in the
6 exhibits attached to this testimony. The findings of the Audit Report
7 were either prepared by me or were prepared under my direction and
8 supervision.

9 **Q. WHAT WAS THE PURPOSE OF THIS AUDIT?**

10 **A.** The purpose of the audit was to determine whether the Company's
11 accounting practices in computing and applying the monthly Fuel
12 Adjustment Clause have been in compliance with S.C. Code Ann. §58-
13 27-865 (Supp. 2005). To accomplish this task, ORS examined the
14 components associated with the operation of the clause.

15 **Q. WHAT WAS THE SCOPE OF ORS'S EXAMINATION?**

16 **A.** ORS Audit Staff examined and traced the monthly fuel adjustment factor
17 calculations and the fuel recovery balances as recorded in the
18 Company's books and records. The current fuel review covered the
19 period February 2006 through April 2007. However, the ORS Audit Staff
20 did not examine the months of February, March and April 2007 because,
21 estimated figures for those three months were used by the Company.
22 The examination consisted of:

- 1 1. Analyzing the Fuel Stock Account - Account # 151
- 2 2. Verifying Receipts to the Fuel Stock Account - Account # 151
- 3 3. Verifying Charges to Nuclear Fuel Expense - Account # 518
- 4 4. Verifying Purchased and Interchange Power Fuel Costs
- 5 5. Verifying KWH Sales
- 6 6. Recalculating the Fuel Adjustment Factors and Verifying the
- 7 Deferred Fuel Costs
- 8 7. Recalculating the True-up for the Over/Under-Recovered Fuel
- 9 Costs
- 10 8. Verifying the Details of the Company's Fuel Costs

11 **Q. PLEASE ELABORATE ON ORS AUDIT STAFF'S COMPUTATION OF**
12 **THE TRUE-UP OF OVER/UNDER RECOVERED FUEL COSTS.**

13 **A.** The ORS Audit Staff analyzed the cumulative over/under-recovery of
14 fuel costs that the Company incurred for the period February 2006
15 through January 2007. The cumulative under-recovery amount totaled
16 (\$52,562,505) as of January 2007. ORS then added the projected
17 over-recovery of \$320,940 for the month of February 2007, the
18 projected over-recovery of \$1,368,580 for the month of March 2007 and
19 the projected over-recovery of \$7,830,900 for April 2007, the projected
20 monthly carrying cost to be collected for each estimated month using
21 the most recent actual amount collected per January 2007 as a basis
22 for the projection, and included the monthly calculation amount of
23 \$1,583,583 for the Urquhart and Jasper Fixed Capacity Charges for
24 each of the estimated months to arrive at a cumulative under-recovery
25 of (\$38,554,712) as of April 2007.

1 The Company's prefiled testimony in this docket states the Company's
2 cumulative under-recovery as of April 2007 totals (\$38,468,549).
3 (Docket No. 2007-2-E, Direct Testimony of John R. Hendrix, Exhibit
4 No.__(JRH-1)). The difference between the Company's and ORS's
5 cumulative under-recovery, as of April 2007, totals (\$86,163), which will
6 be discussed later in this testimony. ORS's actual cumulative under-
7 recovery of fuel costs as of January 2007 totaled (\$52,562,505). The
8 Company's prefiled testimony in this docket lists the cumulative under-
9 recovery total as of actual January 2007 totaling (\$52,476,342).
10 (Docket No. 2007-2-E, Direct Testimony of John R. Hendrix, Exhibit
11 No.__(JRH-1)). The difference between the Company's and ORS's
12 actual cumulative under-recovery as of January 2007 was for the
13 amount of (\$86,163). Audit Exhibit JRC-7, entitled "Computation of
14 Unbilled Revenue" provides explanations for the ORS's actual
15 cumulative under-recovery balance as of January 2007, and the ORS's
16 estimated cumulative under-recovery balance as of April 2007.

17 As stated in the Company's Adjustment for Fuel Costs, fuel costs will be
18 included in base rates to the extent determined reasonable and proper.

19 **Q. DID ORS PREPARE AUDIT STAFF EXHIBITS?**

20 **A.** Yes, ORS prepared audit exhibits from the Company's books and
21 records reflecting fuel costs during the review period. Specifically,
22 these exhibits include the following:

1 Exhibit JRC-1: Total Received and Weighted Average Cost

2 Exhibit JRC-2: Received Coal - Cost Per Ton (Per Plant)

3 Exhibit JRC-3: Received Coal - Cost Per Ton Comparison

4 Exhibit JRC-4: Burned Cost - Consumed Generation

5 Exhibit JRC-5: Cost of Fuel

6 Exhibit JRC-6: Factor Computation

7 Exhibit JRC-7: Computation of Unbilled Revenue

8 **Q. DID YOU NOTE ANY DIFFERENCES BETWEEN ORS'S AND THE**
9 **COMPANY'S CALCULATION OF THE UNDER-COLLECTION?**

10 **A.** Yes, I did. Each of the differences are identified and described in the
11 footnotes (1) and (5) of the Audit Exhibit JRC-7.

12 **Q. PLEASE EXPLAIN FOOTNOTE (1) TO AUDIT EXHIBIT JRC-7.**

13 **A.** Footnote (1) addresses ORS Audit Staff's cumulative under-recovery
14 balance brought forward from January 2006 of (\$54,743,186). As
15 reflected on this exhibit, it differs from the Company's beginning
16 cumulative under-recovery balance (from January 2006) of
17 (\$54,648,833) by (\$94,353). This cumulative under-recovery balance
18 difference was based on various adjustments made by the ORS Audit
19 Staff to such costs as Fossil Fuel and Purchased Power, related to the
20 last fuel review period. It should be noted that the Company, in its
21 testimony (Docket No. 2007-2-E, Exhibit No.____ {JRH-1}), reflects the

1 various over/under-recovery corrections applicable to the last review
2 period in the months of February 2006 and June 2006.

3 In February 2006, the Company booked an over-recovery adjustment
4 to the Deferred Fuel Account of \$473,141. This figure consisted of: (a)
5 \$169,489 and \$232,205 based on ORS corrections respectively in
6 December 2005 and January 2006; and (b) a remaining over-recovery
7 adjustment amount of \$71,447 which was a Company true-up
8 adjustment not associated with the ORS corrections from the last
9 review period. This \$71,447 correction was a true-up reduction to coal
10 and gas costs in January 2006. Since the ORS reflected the updated
11 fuel information that resulted in the over-recovery corrections of
12 \$169,489 and \$232,205 in its last fuel report, the ORS only reflected the
13 Company's remaining adjustment to the Deferred Fuel Account in
14 February 2006 of \$71,447.

15 In June 2006, the Company booked an under-recovery adjustment to
16 the Deferred Fuel Account of (\$496,047). This figure was based on an
17 ORS correction to fuel costs in October 2005. It was not necessary for
18 the ORS Staff to make this adjustment because the ORS figures
19 already reflected the updated fuel information for October 2005 from the
20 last fuel review period.

1 Therefore, the amount of \$169,489, \$232,205 and (\$496,047) which
2 totals (\$94,353) represents the booked cumulative difference of the
3 Company and the ORS.

4 **Q. PLEASE EXPLAIN FOOTNOTE (5) TO AUDIT EXHIBIT JRC-7.**

5 **A.** Based on the ORS's audit of the actual months of the review period, in
6 footnote (5), ORS made two adjustments as a total under-recovery
7 adjustment to the Deferred Account in January 2007 of (\$86,164). The
8 two adjustments consist of the following:

9 (a) In May, June, July and August 2006, the coal expense derived from
10 the Company's contract use of CoGen South Shaft Horsepower fuel
11 was understated. For the aforementioned months, the Company's coal
12 expense fuel calculations contained two fuel component parts—Non-
13 Dispatchable Energy and Dispatchable Energy. The Company, in error,
14 did not include the Dispatchable Energy in its coal cost computations.
15 After ORS recalculated these months' coal costs, the only month in
16 which there was a change in the fuel adjustment factor per KWH was
17 August 2006. The resultant effect on the August 2006 monthly entry of
18 the Deferred Fuel Account, on a retail basis (before the monthly
19 carrying cost), was an additional under-recovery of (\$45,368).

20 (b) In November 2006, the Company booked an over-recovery true-up
21 adjusting entry for a September 2006 correction to the Deferred Fuel
22 Account for \$20,398. The over-recovery adjusting entry was less than

1 the original over-recovery entry for September 2006. Therefore, the
2 true-up adjusting entry should have been an under-recovery adjusting
3 entry. In order to correct this, ORS had an under-recovery adjustment
4 to the Deferred Account for the amount of (\$40,796).

5 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS**
6 **DURING THE ACTUAL REVIEW PERIOD?**

7 **A.** Yes. The adjustments and/or true-ups made by the Company during the
8 actual review period are described in ORS footnotes (2) through (4) to
9 Audit Exhibit JRC-7.

10 **Q. PLEASE EXPLAIN FOOTNOTE (2) TO AUDIT EXHIBIT JRC-7.**

11 **A.** My footnote (2) in Audit Exhibit JRC-7 explains that in February, March,
12 June, August, October through December 2006 and January 2007, the
13 Company had true-ups to the cumulative balances of the Deferred Fuel
14 Account due to various Company corrections and revisions to costs such
15 as Fossil Fuel Costs (increases/reductions true-ups to coal, gas and oil),
16 Purchased Power Costs (additional invoices based on purchases from a
17 new company source), Nuclear Fuel Costs (a quarterly instead of
18 monthly waste disposal cost was included in calculations toward the
19 monthly Deferred Fuel factor for Dec. 2006; actual Nuclear Fuel Costs
20 were booked correctly) and KWH Sales (an incorrect KWH Sales figure
21 used in the calculations toward retail KWH Sales in Sept. 2006). ORS
22 examined and recomputed all of these true-ups, with no exceptions

1 noted. The Company also booked a FERC Settlement Agreement
2 amount of \$1.34 million for retail native load customers in January 2007.
3 This settlement was related to the wholesale use of the Company's
4 electric transmission system. The amount, which was a credit to the
5 Deferred Fuel Account No. 182.3004, reduces the cumulative under-
6 recovery balance.

7 **Q. PLEASE EXPLAIN FOOTNOTE (3) TO AUDIT EXHIBIT JRC-7.**

8 **A.** Footnote (3) explains that in the ORS Audit Exhibit JRC-7 for the
9 estimated month of March 2006 in Docket No. 2006-2-E, ORS noted
10 that the Company had a Department of Energy ("DOE") Settlement
11 Agreement credit of (\$6,000,000) that will be booked in March 2006.
12 This agreement dealt with Spent Nuclear Fuel and High Level Waste.
13 This (\$6,000,000) credit represented SCE&G's two-thirds (2/3) V.C.
14 Summer Nuclear Plant ownership portion of the \$9,000,000 DOE
15 settlement. For this current review period, the actual March 2006
16 Nuclear Fuel Costs of \$2,131,326 and the credit of (\$6,000,000) were
17 reflected in the Company's books. This credit figure created a net credit
18 effect to Nuclear Fuel Costs of (\$3,868,674) for the month of March
19 2006.

20 **Q. PLEASE EXPLAIN FOOTNOTE (4) TO AUDIT EXHIBIT JRC-7.**

21 Footnote (4) in Audit Exhibit JRC-7 explains that as of May 2006,
22 pursuant to the Settlement Agreement approved in PSC Docket No.

1 2006-2-E, a monthly carrying cost is applied to an under-recovery
2 balance of \$19,244,218.50 (as per the agreement, "no greater than the
3 under recovery at April 30, 2006 over a two year period commencing
4 May 1, 2006"). The calculation uses the monthly interest rate based on
5 10-year U.S. Government Treasury Bills as of the first day of the month
6 plus 65 basis points (0.65 percentage points). This monthly carrying
7 cost is collected as an under-recovery entry to the Deferred Fuel
8 Account. ORS examined and recomputed all of these entries, with no
9 material exceptions noted.

10 **Q. WHAT WAS THE RESULT OF THE ORS AUDIT DEPARTMENT'S**
11 **EXAMINATION?**

12 **A.** Based on the ORS Audit Staff's examination of the Company's books
13 and records and its operation of the fuel cost recovery mechanism, the
14 ORS Audit Department is of the opinion that, subject to the adjustments
15 presented in Footnotes (1) through (5), the Company's books and
16 records accurately reflect the fuel costs incurred by the Company in
17 accordance with previous Commission orders and with S.C. Code Ann.
18 § 58-27-865.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 **A.** Yes, it does.

**REPORT OF THE AUDIT DEPARTMENT
THE OFFICE OF REGULATORY STAFF**

March 14, 2007

DOCKET NO. 2007-2-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

REPORT OF THE AUDIT DEPARTMENT

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2007-2-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS

**REVIEW PERIOD: FEBRUARY 1, 2006 – JANUARY 31, 2007 (ACTUAL)
FEBRUARY 1, 2007 – APRIL 30, 2007 (ESTIMATED)**

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Note: The ORS Audit Exhibits are prepared by the ORS Audit Staff.

REPORT OF THE AUDIT DEPARTMENT
DOCKET NO. 2007-2-E
SOUTH CAROLINA ELECTRIC & GAS COMPANY
ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS
INTRODUCTION

The Office of Regulatory Staff's (ORS) Audit Department has made an examination of the books and records of South Carolina Electric & Gas Company ("the Company" or "SCE&G") pursuant to the requirements under Docket No. 2007-2-E and S.C. Code Ann. §58-27-865, that periodic hearings be conducted before the Commission concerning the Adjustment of Base Rates for Fuel Costs.

CURRENT REVIEW PERIOD

SCE&G's Retail Fuel Adjustment Clause covers the period of February 2006 through April 2007. However, the ORS Audit Staff did not examine the months from February, March, and April 2007 because the amounts of over/under-recovery for February 2007, March 2007 and April 2007 were estimated by the Company for the purpose of adjusting base rates effective May 1, 2007. The estimates for these three months will be subject to true-up at the Company's next hearing.

The ORS Audit Department's examination consisted of the following:

1. Analyzing the Fuel Stock Account – Account #151
2. Verifying Receipts to the Fuel Stock Account – Account # 151
3. Verifying Charges to Nuclear Fuel Expense – Account # 518
4. Verifying Purchased and Interchange Power Fuel Costs
5. Verifying KWH Sales

6. Recalculating the Fuel Adjustment Factors and Verifying the Deferred Fuel Costs
7. Recalculating the True-up for the Over/Under-Recovered Fuel Costs
8. Verifying the Details of the Company's Fuel Costs

1. ANALYZING THE FUEL STOCK ACCOUNT – ACCOUNT # 151

ORS's analysis of the Fuel Stock Account consisted of tracing receipts to the fuel management system and issues from the fuel management system to the General Ledger, reviewing monthly fuel charges originating in fuel accounting, and ensuring that only proper charges are entered in the Company's computation of fuel costs for purposes of adjusting base rates for fuel costs.

2. VERIFYING RECEIPTS TO THE FUEL STOCK ACCOUNT – ACCOUNT # 151

ORS's testing of coal receipts to the Fuel Stock Account consisted of randomly selecting transactions, tracing each of these randomly selected transactions to a coal receiving report, waybill, freight study detailed report, and the fuel management system payment voucher for documentation purposes. It also consisted of recalculating the transactions to insure mathematical accuracy.

3. VERIFYING CHARGES TO NUCLEAR FUEL EXPENSE – ACCOUNT # 518

ORS traced the expense amounts for nuclear fuel to the books and records for the period February 2006 through January 2007 to verify the accuracy of the expenses to fuel amortization schedules.

4. VERIFYING PURCHASED AND INTERCHANGE POWER FUEL COSTS

ORS verified the Company's Purchased and Interchange Power Fuel Costs to summary sheets provided by the Company's Electric Pricing and Operations Departments. Fuel costs, KWH purchases and sales for the period from February 2006 through January 2007 were traced to the system reports, and on a sample basis, were traced to monthly invoices. ORS Purchased Power figures for February 2006 through January 2007 and the resultant over/under-recovery monthly deferred fuel amounts for February 2006 through January 2007 reflect calculations in compliance with S.C. Code Ann. §58-27-865. This statute addresses "fuel costs related to purchased power." Sub-section (A)(2)(b) of this statute states that the total delivered cost of economy purchases, including (but not limited to) transmission charges, are included in Purchased Power Costs if those types of purchases are "less than the purchasing utility's avoided variable costs for the generation of an equivalent quantity of electric power." The Company's per books economic purchases included wheeling (transmission) charges for the review period which totaled \$63,188. ORS applied this statute to the examined economic purchases along with the applicable avoided costs. ORS Audit Staff noted no exceptions to this portion of Purchased Power Costs. It should be noted that the Company has implemented an "in-house" procedure that audits the Company's avoided costs information in relation to the Company's hourly purchase power records. Since this procedure is performed weekly, it enables the Company to monitor more closely and if needed, to quickly correct its avoided costs versus purchase price transactions.

5. VERIFYING KWH SALES

ORS verified total system sales, as filed in the monthly fuel factor computation, for the months of February 2006 through January 2007. This monthly figure was then used to determine the fuel cost per KWH sold.

6. RECALCULATING THE FUEL ADJUSTMENT FACTORS AND VERIFYING THE DEFERRED FUEL COSTS

ORS re-calculated the Fuel Costs Adjustment Factors for the months of February 2006 through January 2007 utilizing information obtained from the Company's records.

With reference to fuel cost, ORS verified the Total Fuel Costs for the months of February 2006 through January 2007 to the Company's books and records.

In calculating the monthly factors, ORS divided the Total Cost of Fuel Burned by Total System Sales to arrive at fuel costs per KWH sales. The base fuel cost per KWH, included in the base rates, is then subtracted from the fuel cost per KWH sales. The resulting figure represents the fuel cost adjustment above or below base per KWH sales. The South Carolina Retail Jurisdictional KWH deferrals were checked against the Company's records. The actual Deferred Fuel Costs for each month was verified to the Company's books and records.

7. RECALCULATING THE TRUE-UP FOR THE OVER/UNDER-RECOVERED FUEL COSTS

ORS analyzed the cumulative under-recovery of fuel costs that the Company had incurred for the period February 2006 through January 2007.

totaling (\$52,562,505). ORS added the projected over-recovery of \$320,940 for the month of February 2007, the projected over-recovery of \$1,368,580 for the month of March 2007, the projected over-recovery of \$7,830,900 for April 2007, the projected monthly carrying cost to be collected for each estimated month using the most recent actual amount collected per January 2007 as a basis for the projection, and included the monthly calculation amount of \$1,583,583 for the Urquhart and Jasper Fixed Capacity Charges for each of the estimated months to arrive at a cumulative under-recovery of (\$38,554,712) as of April 2007. The Company's cumulative under-recovery, per its testimony in Docket No. 2007-2-E {Exhibit No. – (JRH-1)}, as of January 2007 totals (\$52,476,342), and as of April 2007, the cumulative under-recovery totals (\$38,468,549). The difference between the Company's and ORS's cumulative under-recovery as of actual January 2007 and estimated as of April 2007 also totals (\$86,163). Audit Exhibit JRC-7, Computation of Unbilled Revenue, provides the explanation for this cumulative under-recovery difference as of April 2007.

As stated in the Company's S.C. Retail Adjustment for Fuel Costs Rider, fuel costs will be included in base rates to the extent determined reasonable and proper.

For the purpose of determining the base cost of fuel in base rates effective May 1, 2007 and based on the audit conducted in accordance with the Commission's guidelines, ORS calculated the under-recovery of (\$38,554,712) as of estimated April 2007.

8. VERIFYING THE DETAILS OF THE COMPANY'S FUEL COSTS

Details of fuel costs are shown in Audit Exhibits JRC-1 through JRC-7.

EXHIBITS

Exhibits relative to this proceeding are identified as follows:

AUDIT EXHIBIT JRC-1: TOTAL RECEIVED AND WEIGHTED AVERAGE COST

This audit exhibit reflects the total cost for the period February 2006 through January 2007, for the three types of fossil fuel: coal, # 2 oil, and natural gas. The Staff has also computed the weighted average cost of each type of fuel.

AUDIT EXHIBIT JRC-2: RECEIVED COAL - COST PER TON (PER PLANT)

This audit exhibit reflects the received cost per ton for coal at each plant for the period of time from February 2006 through January 2007, in dollars per ton including freight costs.

AUDIT EXHIBIT JRC-3: RECEIVED COAL – COST PER TON COMPARISON

This audit exhibit reflects the received cost per ton for coal each month during the period from February 2006 through January 2007 for South Carolina Electric & Gas Company, Duke Energy Carolinas, and Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ORS has shown for comparison purposes, the invoice cost per ton, freight cost per ton, total cost per ton and the cost per MBTU.

AUDIT EXHIBIT JRC-4: BURNED COST - CONSUMED GENERATION

This audit exhibit reflects the per book cost of burned fuel, including emission allowance expenses, which was used for generation for the period February 2006 through January 2007. The burned cost of each class of fuel is separated and the percentage of total burned computed for each type.

AUDIT EXHIBIT JRC-5: COST OF FUEL

This audit exhibit reflects the cost of fuel for the period February 2006 through January 2007.

AUDIT EXHIBIT JRC-6: FACTOR COMPUTATION

This audit exhibit reflects the actual computation of the fuel adjustment factor for the period February 2006 through January 2007.

AUDIT EXHIBIT JRC-7: COMPUTATION OF UNBILLED REVENUE

This audit exhibit reflects the computation of the unbilled revenue at April 30, 2007. The balance amounts to an under-recovery of (\$38,554,712). This balance represents the difference between actual (with three months estimated) total fuel costs and billed fuel costs for the Company's retail customers for the period.

South Carolina Electric & Gas Company
Total Received and Weighted Average Cost
February 2006 - January 2007
Docket No. 2007-2-E

<u>Month</u>	<u>Coal</u>		<u>#2 Oil</u>		<u>Gas</u>		<u>Total Received Cost</u>
	Tons	\$	Gal	\$	MCF	\$	\$
Feb-06	601,391	39,064,512	250,021	464,721	478,479	5,694,628	45,223,861
Mar-06	557,772	35,352,832	204,925	393,335	210,421	3,141,104	38,887,271
Apr-06	606,377	40,222,870	353,117	745,968	539,740	3,661,096	44,629,934
May-06	509,583	32,714,167	280,622	604,369	538,017	5,443,653	38,762,189
Jun-06	577,788	36,377,985	296,858	623,650	2,090,829	15,936,361	52,937,996
Jul-06	584,677	37,289,312	332,278	747,725	3,468,807	86,814,600	124,851,637
Aug-06	598,500	38,285,046	440,559	974,936	3,794,988	33,545,808	72,805,790
Sep-06	555,060	36,287,090	200,722	376,147	1,346,036	9,134,579	45,797,816
Oct-06	645,665	41,938,739	333,792	621,379	2,350,435	16,763,881	59,323,999
Nov-06	605,708	38,327,803	221,846	419,506	2,477,390	22,320,489	61,067,798
Dec-06	574,588	35,188,605	367,906	710,266	1,063,702	10,498,963	46,397,834
Jan-07	570,716	34,420,502	550,504	951,702	2,903,398	24,167,687	59,539,891
Total	6,987,825	445,469,464	3,833,150	7,633,704	21,262,242	237,122,847	690,226,015
Weighted Average		63.75		1.99		11.15	

Note: Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
Received Coal - Cost Per Ton (Per Plant)
February 2006 - January 2007
Docket No. 2007-2-E

<u>Plant</u>	<u>Feb-06</u>	<u>Mar-06</u>	<u>Apr-06</u>	<u>May-06</u>	<u>Jun-06</u>	<u>Jul-06</u>	<u>Aug-06</u>	<u>Sep-06</u>	<u>Oct-06</u>	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Canadys	71.38	70.45	69.73	70.84	70.66	69.57	70.41	70.20	68.98	66.49	67.37	62.47
Cope	63.26	63.19	68.51	61.91	63.09	62.36	63.77	62.26	64.63	63.37	54.88	60.43
McMeekin	61.38	61.91	63.56	63.34	60.34	60.23	60.82	74.78	62.12	63.52	58.62	61.27
Urquhart	58.37	57.18	66.55	61.46	63.40	58.36	65.01	66.21	64.43	66.28	65.47	55.08
Wateree	61.67	64.05	66.29	63.89	61.02	62.43	62.29	65.99	63.79	60.77	60.04	57.58
Williams	72.92	61.74	64.01	62.38	61.93	65.33	63.45	64.16	64.76	63.52	62.49	66.47
Total System	64.96	63.38	66.33	64.20	62.96	63.78	63.97	65.38	64.95	63.28	61.24	60.31

Note: Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
Received Coal - Cost Per Ton Comparison
February 2006 - January 2007
Docket No. 2007-2-E

South Carolina Electric & Gas Company

<u>Month</u>	<u>Invoice Cost Per Ton</u>	<u>Freight Cost Per Ton</u>	<u>Total Cost Per Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Feb-06	51.98	12.98	64.96	2.5569
Mar-06	48.75	14.63	63.38	2.5429
Apr-06	52.48	13.85	66.33	2.6267
May-06	48.86	15.34	64.20	2.5404
Jun-06	48.29	14.67	62.96	2.5076
Jul-06	49.61	14.17	63.78	2.5398
Aug-06	49.17	14.80	63.97	2.5205
Sep-06	49.92	15.46	65.38	2.5918
Oct-06	49.23	15.72	64.95	2.5642
Nov-06	49.36	13.92	63.28	2.4963
Dec-06	47.40	13.84	61.24	2.4152
Jan-07	45.95	14.36	60.31	2.3849

Duke Energy Carolinas

<u>Month</u>	<u>Invoice Cost Per Ton</u>	<u>Freight Cost Per Ton</u>	<u>Total Cost Per Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Feb-06	42.07	17.85	59.92	2.4754
Mar-06	47.06	18.12	65.18	2.6835
Apr-06	45.32	18.17	63.49	2.6207
May-06	45.19	17.79	62.98	2.5883
Jun-06	45.03	18.55	63.58	2.6180
Jul-06	47.04	26.57	73.61	3.0527
Aug-06	47.42	19.57	66.99	2.7759
Sep-06	44.86	21.05	65.91	2.7266
Oct-06	47.54	22.20	69.74	2.8624
Nov-06	49.84	21.05	70.89	2.9066
Dec-06	48.59	22.12	70.71	2.8668
Jan-07	47.22	19.31	66.53	2.6955

South Carolina Electric & Gas Company
Received Coal - Cost Per Ton Comparison
February 2006 - January 2007
Docket No. 2007-2-E

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.

<u>Month</u>	<u>Invoice Cost Per Ton</u>	<u>Freight Cost Per Ton</u>	<u>Total Cost Per Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Feb-06	53.97	20.06	74.03	2.9965
Mar-06	52.30	19.84	72.14	2.9147
Apr-06	49.11	19.61	68.72	2.7730
May-06	51.42	19.54	70.96	2.8715
Jun-06	52.75	19.63	72.38	2.9242
Jul-06	49.90	15.94	65.84	2.6726
Aug-06	51.48	19.01	70.49	2.8319
Sep-06	53.41	19.51	72.92	2.9538
Oct-06	51.22	20.47	71.69	2.8872
Nov-06	51.19	20.68	71.87	2.9094
Dec-06	49.29	20.06	69.35	2.7942
Jan-07	57.44	19.73	77.17	3.1281

Note: Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
 Burned Cost - Consumed Generation
 February 2006 - January 2007
 Docket No. 2007-2-E

<u>Month</u>	<u>Coal</u>		<u>#2 Oil</u>		<u>Gas</u>		<u>SO₂ Emission Allowance</u>		<u>Nuclear</u>		<u>Total Burned Cost</u>	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Feb-06	26,045,542	75.68%	340,125	0.99%	5,668,570	16.47%	435,044	1.26%	1,927,854	5.60%	34,417,135	
Mar-06	30,737,720	100.24%	145,265	0.47%	3,125,770	10.19%	523,020	1.71%	(3,868,674)	-12.62%	30,663,101	
Apr-06	19,428,810	67.63%	642,130	2.24%	6,217,570	21.64%	380,632	1.32%	2,060,792	7.17%	28,729,934	
May-06	29,344,179	77.94%	373,933	0.99%	5,443,469	14.46%	410,029	1.09%	2,076,842	5.52%	37,648,452	
Jun-06	30,482,081	61.81%	338,031	0.69%	15,935,443	32.32%	534,496	1.08%	2,022,004	4.10%	49,312,055	
Jul-06	30,910,565	50.74%	513,660	0.84%	26,814,243	44.01%	574,009	0.94%	2,108,826	3.46%	60,921,303	
Aug-06	32,594,186	46.97%	446,837	0.64%	33,531,314	48.32%	700,911	1.01%	2,118,287	3.05%	69,391,535	
Sep-06	24,777,839	66.82%	577,860	1.56%	9,134,335	24.63%	540,122	1.45%	2,051,441	5.53%	37,081,597	
Oct-06	22,722,670	55.23%	334,307	0.81%	16,761,532	40.74%	463,426	1.13%	858,293	2.09%	41,140,228	
Nov-06	21,505,326	47.86%	309,386	0.69%	22,266,289	49.55%	453,583	1.01%	401,776	0.89%	44,936,360	
Dec-06	24,967,870	63.40%	1,062,256	2.70%	10,486,911	26.63%	491,218	1.25%	2,368,612	6.02%	39,376,867	
Jan-07	24,736,751	46.38%	1,040,863	1.95%	24,150,294	45.28%	1,298,950	2.44%	2,105,971	3.95%	53,332,829	
Totals	318,253,539	60.40%	6,124,653	1.16%	179,535,740	34.07%	6,805,440	1.29%	16,232,024	3.08%	526,951,396	

Note: Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
 Cost of Fuel
 February 2006 - January 2007
 Docket No. 2007-2-E

<u>Month</u>	<u>Total Cost of Fuel Burned</u>	<u>Purchased and Interchange Power Fuel Costs</u>	<u>Fuel Cost Recovered from Intersystem Sales</u>	<u>Total Fuel Costs</u>
	\$	\$	\$	\$
Feb-06	34,417,135	8,468,162	(5,719,505)	37,165,792
Mar-06	30,663,101	5,169,991	(4,914,875)	30,918,217
Apr-06	28,729,934	11,237,662	(2,720,610)	37,246,986
May-06	37,648,452	10,979,975	(4,944,197)	43,684,230
Jun-06	49,312,055	10,462,576	(7,719,347)	52,055,284
Jul-06	60,921,303	11,259,496	(8,428,976)	63,751,823
Aug-06	69,391,535	11,562,584	(10,699,932)	70,254,187
Sep-06	37,081,597	11,299,841	(2,730,642)	45,650,796
Oct-06	41,140,228	9,964,826	(1,635,111)	49,469,943
Nov-06	44,936,360	13,775,953	(1,767,247)	56,945,066
Dec-06	39,376,867	8,132,148	(3,871,872)	43,637,143
Jan-07	53,332,829	3,593,779	(3,452,984)	53,473,624
Totals	526,951,396	115,906,993	(58,605,298)	584,253,091

Note: Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
Factor Computation
February 2006 - January 2007
Docket No. 2007-2-E

<u>Month</u>	<u>Total Fuel Costs</u>	<u>Total System Sales Excluding Intersystem Sales</u>	<u>Fuel Cost per KWH Sales</u>	<u>Base Cost Per KWH Included in Rates</u>	<u>Fuel Adjustment Per KWH</u>
	\$	KWH	\$/KWH	\$/KWH	\$/KWH
Feb-06	37,165,792	1,762,946,768	0.021082	0.022560	0.00148
Mar-06	30,918,217	1,778,180,419	0.017388	0.022560	0.00517
Apr-06	37,246,986	1,641,714,242	0.022688	0.022560	(0.00013)
May-06	43,684,230	1,800,037,126	0.024269	0.025160	0.00089
Jun-06	52,055,284	2,128,012,318	0.024462	0.025160	0.00070
Jul-06	63,751,823	2,252,592,119	0.028302	0.025160	(0.00314)
Aug-06	70,254,187	2,427,170,905	0.028945	0.025160	(0.00379)
Sep-06	45,650,796	2,167,168,670	0.021065	0.025160	0.00410
Oct-06	49,469,943	1,789,046,441	0.027652	0.025160	(0.00249)
Nov-06	56,945,066	1,634,191,672	0.034846	0.025160	(0.00969)
Dec-06	43,637,143	1,803,347,558	0.024198	0.025160	0.00096
Jan-07	53,473,624	1,834,643,779	0.029147	0.025160	(0.00399)

Note: Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
February 2006 - April 2007
Docket No. 2007-2-E

	-----ACTUAL-----							
	February 2006	March 2006	April 2006	May 2006	June 2006	July 2006	August 2006	September 2006
Fossil Fuel	32,489,281	34,531,775	26,669,142	35,571,610	47,290,051	58,812,477	67,273,248	35,030,156
Nuclear Fuel (3)	1,927,854	(3,868,674) (3)	2,060,792	2,076,842	2,022,004	2,108,826	2,118,287	2,051,441
Purchased & Interchange Power Fuel	8,468,162	5,169,991	11,237,662	10,979,975	10,462,576	11,259,496	11,562,584	11,299,841
Total Cost of Fuel Burned	42,885,297	35,833,092	39,967,596	48,628,427	59,774,631	72,180,799	80,954,119	48,381,438
Less: Fuel Cost Recovered Intersystem Sales	5,719,505	4,914,875	2,720,610	4,944,197	7,719,347	8,428,976	10,699,932	2,730,642
Total Fuel Costs	37,165,792	30,918,217	37,246,986	43,684,230	52,055,284	63,751,823	70,254,187	45,650,796
Total System KWH Sales Excluding Intersystem Sales	1,762,946,768	1,778,180,419	1,641,714,242	1,800,037,126	2,128,012,318	2,252,592,119	2,427,170,905	2,167,168,670
Fuel Cost Per KWH Sales	0.021082	0.017388	0.022688	0.024269	0.024462	0.028302	0.028945	0.021065
Less: Base Cost Per KWH Included in Rates	0.022560	0.022560	0.022560	0.025160	0.025160	0.025160	0.025160	0.025160
Fuel Adjustment Per KWH	0.00148	0.00517	(0.00013)	0.00089	0.00070	(0.00314)	(0.00379)	0.00410
Unbilled Revenue KWH Sales	1,646,862,967	1,662,822,693	1,532,522,023	1,670,944,442	1,988,875,162	2,097,942,673	2,268,392,331	2,043,860,494
Deferred Fuel Entry	2,437,357	8,596,793	(199,228)	1,487,141	1,392,213	(6,587,540)	(8,597,207)	8,379,828
Monthly Carrying Cost Collected (4)				(92,699)	(93,007)	(90,448)	(85,964)	(84,790)
Accounting Adjustments (2)	71,447	(201,804)					(174,118)	
Less: Fixed Capacity Charge	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583
January 2006 (1)	(54,743,186) (1)							
Cumulative Over/(Under) Recovery	(50,650,799)	(40,672,226)	(39,287,871)	(36,309,846)	(33,427,057)	(38,521,462)	(45,795,168)	(35,916,547)

Please Note:

ORS would like to emphasize that the Urquhart Plant (Combined Cycle) Fixed Capacity Charge monthly amount of \$ 673,417 is treated, per PSC Order No. 2003-38, on a retail basis as a reduction to the monthly Deferred Fuel Entries. The Jasper Plant (Combined Cycle) Fixed Capacity Charge monthly amount of \$910,166 is also treated, per PSC Order No. 2005-2, on a retail basis as a reduction to the monthly Deferred Fuel Entries. Therefore, the Fixed Capacity Charges reduction is a monthly total of \$1,583,583.

*Explanation of Footnotes (1) through (5) on Audit Exhibit JRC-7 is found on pages 5 through 10 in the testimony of Jacqueline R. Cherry and on pages 3 through 6 of Audit Exhibit JRC-7.

Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
February 2006 - April 2007
Docket No. 2007-2-E

	-----ACTUAL-----				-----ESTIMATED-----		
	October 2006	November 2006	December 2006	January 2007	February 2007	March 2007	April 2007
Fossil Fuel	40,281,935	44,534,584	37,008,255	51,226,858	45,510,000	35,512,000	24,110,000
Nuclear Fuel (3)	858,293	401,776	2,368,612	2,105,971	1,836,000	2,038,000	1,969,000
Purchased & Interchange Power Fuel	9,964,826	13,775,953	8,132,148	3,593,779	5,250,000	11,962,000	12,407,000
Total Cost of Fuel Burned	51,105,054	58,712,313	47,509,015	56,926,608	52,596,000	49,512,000	38,486,000
Less: Fuel Cost Recovered Intersystem Sales	1,635,111	1,767,247	3,871,872	3,452,984	5,182,000	6,099,000	4,287,000
Total Fuel Costs	49,469,943	56,945,066	43,637,143	53,473,624	47,414,000	43,413,000	34,199,000
Total System KWH Sales Excluding Intersystem Sales	1,789,046,441	1,634,191,672	1,803,347,558	1,834,643,779	1,896,000,000	1,784,000,000	1,692,000,000
Fuel Cost Per KWH Sales	0.027652	0.034846	0.024198	0.029147	0.024981	0.024335	0.020212
Less: Base Cost Per KWH Included in Rates	0.025160	0.025160	0.025160	0.025160	0.025160	0.025160	0.025160
Fuel Adjustment Per KWH	(0.00249)	(0.00969)	0.00096	(0.00399)	0.00018	0.00082	0.00495
Unbilled Revenue KWH Sales	1,675,800,334	1,523,052,541	1,684,692,746	1,706,292,796	1,783,000,000	1,669,000,000	1,582,000,000
Deferred Fuel Entry	(4,172,743)	(14,758,379)	1,617,305	(6,808,108)	320,940	1,368,580	7,830,900
Monthly Carrying Cost Collected (4)	(84,347)	(82,115)	(85,925)	(87,792)	(87,792)	(87,792)	(87,792)
Accounting Adjustments (2)	(16,647)	20,398	(30,461)	1,594,688			
Accounting Adjs.-- Per ORS Review (reflected in 1/07) (5)				(86,164) (5)			
Less: Fixed Capacity Charge	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583	1,583,583
September 2006 - (pg. 1 of 6)	(35,916,547)						
Cumulative Over/(Under) Recovery	(38,606,701)	(51,843,214)	(48,758,712)	(52,562,505)	(50,745,774)	(47,881,403)	(38,554,712)

Please Note:

ORS would like to emphasize that the Urquhart Plant (Combined Cycle) Fixed Capacity Charge monthly amount of \$ 673,417 is treated, per PSC Order No. 2003-38, on a retail basis as a reduction to the monthly Deferred Fuel Entries. The Jasper Plant (Combined Cycle) Fixed Capacity Charge monthly amount of \$910,166 is also treated, per PSC Order No. 2005-2, on a retail basis as a reduction to the monthly Deferred Fuel Entries. Therefore, the Fixed Capacity Charges reduction is a monthly total of \$1,583,583.

*Explanation of Footnotes (1) through (5) on Audit Exhibit JRC-7 is found on pages 5 through 10 in the testimony of Jacqueline R. Cherry and on pages 3 through 6 of Audit Exhibit JRC-7.

Exhibit prepared by the ORS Audit Staff.

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
February 2006 – April 2007

Explanation of Footnotes to Audit Exhibit JRC-7:

- (1) ORS's cumulative under-recovery balance brought forward from January 2006 is (\$54,743,186). As reflected on this exhibit, it differs from the Company's beginning cumulative under-recovery balance (from January 2006) of (\$54,648,833) by (\$94,353). This cumulative under-recovery balance difference was based on various adjustments made by the ORS Audit Staff to such costs as Fossil Fuel and Purchased Power, related to the last fuel review period. It should be noted that the Company, in its testimony (Docket No. 2007-2-E, Exhibit No. __{JRH-1}), reflects the various over/under-recovery corrections applicable to the last review period in the months of February 2006 and June 2006.

In February 2006, the Company booked an over-recovery adjustment to the Deferred Fuel Account of \$473,141. This figure consisted of: (a) \$169,489 and \$232,205 based on ORS corrections respectively in December 2005 and January 2006; and (b) a remaining over-recovery adjustment amount of \$71,447 which was a Company true-up adjustment not associated with the ORS corrections from the last review period. This \$71,447 correction was a true-up reduction to coal and gas costs in January 2006. Since the ORS reflected the updated fuel information that resulted in the over-recovery corrections of \$169,489 and \$232,205 in its last fuel report, the ORS only reflected the Company's remaining adjustment to the Deferred Fuel Account in February 2006 of \$71,447.

In June 2006, the Company booked an under-recovery adjustment to the Deferred Fuel Account of (\$496,047). This figure was based on an ORS correction to fuel costs in October 2005. It was not necessary for the ORS Staff to make this adjustment because the ORS figures already reflected the updated fuel information for October 2005 from the last fuel review period.

Therefore, the amount of \$169,489, \$232,205 and (\$496,047) which totals (\$94,353) represents the booked cumulative difference of the Company and ORS.

Note: ORS Cum. Under-Recovery Balance @ 1/06	(\$54,743,186)
Company's Cum. Under-Recovery Bal. @ 1/06	<u>(\$54,648,833)</u>
Under-Recovery Entry--	<u>(\$ 94,353)</u>
(Per the Company's Testimony—February and June 2006)	

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
February 2006 – April 2007

Explanation of Footnotes to Audit Exhibit JRC-7:

- (2) In February, March, June, August, October through December 2006 and January 2007, the Company had true-ups to the cumulative balances of the Deferred Fuel Account due to various Company corrections and revisions to costs such as Fossil Fuel Costs (increases/reductions true-ups to coal, gas and oil), Purchased Power Costs (additional invoices based on purchases from a new company source), Nuclear Fuel Costs (a quarterly instead of monthly waste disposal cost was included in calculations toward the monthly Deferred Fuel factor for Dec. 2006; actual Nuclear Fuel Costs were booked correctly) and KWH Sales (an incorrect KWH Sales figure used in the calculations toward retail KWH Sales in Sept. 2006). ORS examined and recomputed all of these true-ups, with no exceptions noted. The Company also booked a FERC Settlement Agreement amount of \$1.34 million for retail native load customers in January 2007. This settlement was related to the wholesale use of the Company's electric transmission system. The amount, which was a credit to the Deferred Fuel Account No. 182.3004, reduces the cumulative under-recovery balance.
- (3) In the ORS Audit Exhibit JRC-7 for the estimated month of March 2006 in Docket No. 2006-2-E, ORS noted that the Company had a Department of Energy ("DOE") Settlement Agreement credit of (\$6,000,000) that will be booked in March 2006. This agreement dealt with Spent Nuclear Fuel and High Level Waste. This (\$6,000,000) credit represented SCE&G's two-thirds (2/3) V.C. Summer Nuclear Plant ownership portion of the \$9,000,000 DOE settlement. For this current review period, the actual March 2006 Nuclear Fuel Costs of \$2,131,326 and the credit of (\$6,000,000) were reflected in the Company's books. This credit figure created a net credit effect to Nuclear Fuel Costs of (\$3,868,674) for the month of March 2006.
- (4) As of May 2006, pursuant to the Settlement Agreement approved in PSC Docket No. 2006-2-E, a monthly carrying cost is applied to an under-recovery balance of \$19,244,218.50 (as per the agreement, "no greater than the under recovery at April 30, 2006 over a two year period commencing May 1, 2006"). The calculation uses the monthly interest rate based on 10-year U.S. Government Treasury Bills as of the first day of the month plus 65 basis points (0.65 percentage points). This monthly carrying cost is collected as an under-recovery entry to the Deferred Fuel Account. ORS examined and recomputed all of these entries, with no material exceptions noted.

**South Carolina Electric & Gas Company
Computation of Unbilled Revenue
February 2006 – April 2007**

Explanation of Footnotes to Audit Exhibit JRC-7:

- (5) Based on ORS's audit of the actual months of the review period, ORS made two adjustments as a total under-recovery adjustment to the Deferred Account in January 2007 of (\$86,164). The two adjustments consist of the following:

(a) In May, June, July and August 2006, the coal expense derived from the Company's contract use of CoGen South Shaft Horsepower fuel was understated. For the aforementioned months, the Company's coal expense fuel calculations contained two fuel component parts—Non-Dispatchable Energy and Dispatchable Energy. The Company, in error, did not include the Dispatchable Energy in its coal cost computations. After ORS recalculated these months' coal costs, the only month in which there was a change in the fuel adjustment factor per KWH was August 2006.

The resultant effect on the August 2006 monthly entry of the Deferred Fuel Account, on a retail basis (before the monthly carrying cost), was:

ORS—Under-Recovery	(\$7,233,110)
Company—Under-Recovery	<u>(\$7,187,742)</u>
	(\$ 45,368) (ORS Additional Under-Recovery)

(b) In November 2006, the Company booked an over-recovery true-up adjusting entry for a September 2006 correction to the Deferred Fuel Account of \$20,398. The over-recovery adjusting entry was less than the original over-recovery entry for September 2006. Therefore, the true-up adjusting entry should have been an under-recovery adjusting entry. In order to correct this, ORS had an under-recovery adjustment to the Deferred Account for the amount of (\$40,796).

The resultant effect on the November 2006 true-up adjusting entry to the Deferred Fuel Account, on a retail basis, was:

Company—Over-Recovery Entry	\$20,398
ORS—Under-Recovery Reversal	(\$20,398)
ORS—Under-Recovery Entry	<u>(\$20,398)</u> (\$40,796) (ORS Add'l Under-Recovery)

Net Effect	<u>(\$20,398)</u>
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South Carolina Electric & Gas Company
Computation of Unbilled Revenue
February 2006 – April 2007

Explanation of Footnotes to Audit Exhibit JRC-7:

Summary of the Effects to the Cumulative Balance of the Deferred Account (w/Explanation #):

Additional Under-Recovery

Explanation (5a)	(\$45,368)	08/06	Additional Under-Recovery (on Monthly Entry)
Explanation (5b)	<u>(\$40,796)</u>	11/06	Additional Under-Recovery (on Adjusting Entry)
Total	<u>(\$86,164)</u>	01/07	Accounting Adjs.- Per ORS Review